Interview with a WSWS reader

Joblessness and poverty in South Korea

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The following is an interview with a *World Socialist Web Site* reader, who lives in South Korea, describing the impact of the Asian economic crisis on the living standards of working people. The reader moved to South Korea from North America nearly two years ago and teaches English in the capital Seoul.

In the course of the last year or so, what transformation have you seen in the living standards of people? Are there obvious signs of poverty—homelessness, begging?

Seoul is a big city with a population similar to that of New York. It's an ugly city made of concrete and brick. There are older parts and newer parts. Some places are more rundown than others; however, you don't see the signs of visible poverty that are common in all large cities in North America. I have never seen what could be considered a ghetto in Seoul. That is true both before and after the IMF. For some reason I do not think that the Korean people—as well the Japanese—would collectively tolerate the massive disparities in wealth that are common in the west.

There are beggars, as there were before the IMF. Koreans feel there are many but I think they're very rare when you consider the size of the city. Most are older and usually suffer from some type of obvious medical problem, such as blindness, missing limbs, etc. Blind people begging on the subway trains are a common sight. I do remember seeing two young girls begging alone on a subway train. They were obviously sisters. The older was maybe nine or ten and other about six years old. They were both dressed in dirty clothes and unwashed, which is extraordinary for the usually immaculate Koreans. But this was the exception, not the rule.

Beggars have a different style than in the west. Usually they don't say anything. They sit on the side of the street or on the steps of the subway stations—a preferred location—with a basket before them. If they have any physical injury, they display it. Usually they are bowed over—many times they appear to be almost dead—and never make eye contact with the other people. Usually they try to make themselves look as pathetic as possible. Some will walk into businesses or into restaurants or coffee shops. Again, they won't say anything. They will just stand there until someone gives them some money and then go away. We have beggars come into the place where I work a couple times a month. In the winter time, they will stand keeping the door open, which is very unpleasant for the people inside, until someone gives them money. Most of these beggars are old men. In spite of what you see on the TV news, Koreans are not violent—much less than North America—and they defer to age, so no one physically removes the beggars when they enter a business.

There have been reports in the international press of middle class executives and businessmen losing their jobs and hiding it from their families.

I've heard similar stories but have no first hand knowledge. I don't think it's an exaggeration. In Korea, your social position is tied to your job. For example, as a teacher, my title is "soen-saeng-nim", which is a grade higher than the common title of "shee". If I lost my job, my title would drop from the honorific "soen-saeng-nim" to the common "shee". (The boss or leader of a group is called "wang-ja-nim" which I believe means "prince". Of course, most people's ambition is to be called "wang-ja-nim".) Losing your job—especially if it's a high-ranking position—means a tremendous loss of face. In light of that, it's not surprising that executives and businessmen would try to hide the fact they lost their job from their family and friends.

What sections have been the hardest hit?

The middle classes without a doubt have been hit hard. There were reports in the paper recently that the number of people who consider themselves middle class is decreasing and the number that say they are lower class is increasing. One of my students is an executive in a major clothing distribution company. He said when the IMF first started, his company made its business plan on the expectation that there would be a drop in demand for high-end goods. That did not happen. The demand for high-end goods remained constant; however the demand for middle-priced goods disappeared and low-end goods increased. This indicates that the Korean middle class is shrinking.

The other group that has been hard hit is young people, especially those graduating and entering the job market at this time. The large corporations—the chaebol—have all radically reduced the number of new recruits. The chaebol openly practice age discrimination. An age range is posted on the job ad and if you're too old then don't apply. Recent graduates usually only have a one- or two-year window to find a position. The chaebol control the capital market in Korea. As a result, venture capital and entrepreneurship is virtually unheard of. Unless you are able to secure a position within one of the top chaebol soon after graduation, you will never be able to rise to the top of Korean society.

What is the attitude among Koreans whom you know to unemployment or the threat of unemployment?

They're nervous. One of my students who came to an evening class dropped out last autumn. He told me that a round of lay-offs was coming and he had to stay at his desk until 9pm. He was afraid that if his manager didn't see him at his desk, he would get axed. He worked for an import company and needed to speak English for his job; however, he still felt he had to be at his desk until 9pm, even though he had nothing to do there. He returned to class once the lay-offs passed.

Even those who aren't laid off don't have it easy. Many of my students have seen their incomes reduced by 30-40 percent. (However, some of these cuts were only temporary. Some of my students told me that their pay had been restored to pre-IMF levels.) Also, those left behind seem to suffer from a type of "survivor's guilt." They have seen their colleagues and close friends lose their jobs and themselves have wondered, "why him or her and not me?"

What is happening to the growing number of jobless? How did the lifelong employment system work? What faces workers and their families once they have lost their jobs? What welfare is there?

Lifelong employment is exactly what it says. Once a company hired a person, they worked for that company for life. It was impossible by law to lay off employees. (This did not apply to small businesses.) This does not mean that you always did the same job. Remember that the chaebol

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incorporate many different companies. You could, for example, change jobs from Samsung Automotive to Samsung Electronics; but you would never leave Samsung and go to work for Hyundai. In fact the corporate culture simply does not allow employees to switch companies. Those who try it are considered disloyal and will be at a permanent disadvantage when it comes to promotions.

It's hard to say what happens to those laid off. Young adults live with their parents until they marry. They just disappear into their family home. Young women are often pressured by their parents to abandon their careers and get married as soon as possible. If their parents are wealthy, many Koreans try to go overseas to study English or something else with the dream of working for a foreign company and leaving Korea.

I can give you some examples of how older workers are coping with unemployment. One man, 47 years old with adult children, recently started a commission sales job selling personal care products door-to-door after a year's unemployment. Another man, 42 years old and unmarried, has still not been able to find a permanent job in over a year. He has been doing part-time, temporary jobs and private jobs for cash. It's very unstable. A third man, 37 years old with elementary school-aged children, was laid off two months ago. He worked as a middle manager for the Korean arm of a German company that manufactures industrial machinery. He plans to start his own import/export business next month. Other middle-aged men who find themselves unemployed are supported by their wives or children, which is a humiliating experience for them. I've heard stories about people returning to their hometowns—almost everybody in Seoul is from somewhere else—and returning to farming, but this is outside my personal experience.

There is unemployment insurance. It's half your wages for six months. However, the lay off system common in the West never existed before in Korea; therefore they lack the infrastructure for such a system. For example, things like unemployment offices and retraining centers, common in western countries, simply do not exist here. The government, pushed by the unions through the tripartite business-labour-government committee, has been developing this infrastructure. Most older workers who lose a position with a chaebol will either have to work for a small business or go into business for themselves, which is more risky and has a lower status than a chaebol job, because of age discrimination practiced by the corporations. To the best of my knowledge there is no welfare in Korea.

I was particularly struck a few months back by a photograph in one of the Australian newspapers, showing an army of hundreds of workers collecting sand for building companies using buckets and shovels. Has there been a rise of low paid menial work of this sort?

Yes, I know what you mean. When I first came I was surprised to see people doing labour-intensive menial jobs that's done by machinery at home. For example it's common to see small groups of older people, both men and women, cleaning streets of working in public parks. In fact that was a feature of Korean culture before the IMF. I think these are more make-work projects than a business practice. I'm sure a couple of tractors would've been much more efficient and cheaper than an army of workers. Just think of the problems of trying to manage hundreds of workers!

In fact, most menial labour jobs—such as factory jobs—are performed by foreign workers and not Koreans. As Korea developed, the Koreans abandoned what they call the 3D jobs (dirty, dangerous and difficult) and brought in foreign workers from the Philippines, South East Asia, India and even Africa. They do most of the menial jobs in Korea. At the start of the IMF era, there were calls in the newspapers to throw out all the foreigners and replace them with Korean workers. However, the Korean employers were against this. They knew the Third World workers would work harder and ask for less than Korean workers. However, I'm sure some of the 3D workers were sent home and replaced with Koreans.

Among your friends what was the attitude to Kim Dae Jung when he was first elected? What has been the change?

In December 1997 during the presidential elections I lived in Ilsan, a new city about 45 minutes northwest of Seoul. It was also where Kim Dae Jung had his private residence. In fact, I taught at a middle school directly across from the subdivision where he lived. Since he was the hometown boy, most people supported him.

I don't think there has been any change in attitude towards Kim Dae Jung. Those who were for him are still for him and those who were against him are still against him. Remember that the IMF package was negotiated and signed by Kim Dae Jung's predecessor President Kim Young Sam, who still remains one of the most loathed men in Korea. As a result people don't hold Kim Dae Jung responsible for the IMF and what has happened since as a result of it.

What discussion is there concerning who or what is responsible for the economic crisis?

At the time of the start of the IMF there was a lot of talk about who or what was responsible. Some people said it was a conspiracy by the US to destroy Korea. Others said it was because Koreans consumed too many foreign luxury goods, and there were pictures in the newspaper of patriotic school children setting fire to cut-out pictures of foreign goods. I think most people believe that it was a result of government corruption and bad business practices by the chaebol. These days nobody seems to care about who was responsible. They are more concerned with just living their lives.

What is the attitude to the demands of the IMF for further restructuring?

The Kim Dae Jung administration has used the IMF as an excuse to launch a major, multi-pronged liberalisation program. The lay-off system is only one part of a large reform movement. In fact, the Kim Dae Jung administration has made concessions to union demands against the opposition of the chaebol. For example, they made it possible for public school teachers to unionise and allowed unions to form political parties and run in elections. He has also tried to end the collusion between big business and government by removing government interference in the day to day operations of banks, which is considered one of the major causes of the collapse of the banking system, and making the financial systems more transparent and less corrupt. He has tried to break the chaebols' lock on the capital markets, allowing for venture capital and entrepreneurship which was virtually impossible in the pre-IMF days. In general, his government is trying to curb the arrogance and immobility of the chaebol, which remain family-controlled absolute empires in a way that does not exist in the west. He has made reforms and changes that are unrelated to the IMF: for example, his "Sunshine Policy" of peaceful engagement with North Korea and releasing political prisoners. Many Koreans consider that many of the reforms that Kim Dae Jung has pushed through since being elected are desirable, necessary and long overdue. While some people may object to certain changes, almost no one objects to reform in principle. There is a great desire in this country among the general population for change.

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